MADE IN THE USA: IGNITING THE INDUSTRIAL RENAISSANCE OF THE UNITED STATES

HEARING

BEFORE THE

SUBCOMMITTEE ON ECONOMIC GROWTH, ENERGY POLICY, AND REGULATORY AFFAIRS

OF THE

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

U.S.HOUSE OF REPRESENTATIVES

ONE HUNDRED NINETEENTH CONGRESS

FIRST SESSION

APRIL 29, 2025

Serial No. 119–21

Printed for the use of the Committee on Oversight and Government Reform

Available on: *govinfo.gov, oversight.house.gov* or *docs.house.gov*

U.S. GOVERNMENT PUBLISHING OFFICE
60–195 PDF WASHINGTON : 2025

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* Letter, May 2, 2025, from Hadrian, to Subcommittee on Economic Growth, Energy Policy, and Regulatory Affairs dated; submitted by Rep. Burlison.

* Statement, April 29, 2025, National Association of Manufacturers; submitted by Rep. Burlison.

* Article, *CNBC*, "This is the Trump recession, CEOs say, with tariff price increases, job losses coming"; submitted by Rep. Frost.

* Article, *Center for American Progress*, "Trump's Tariff Pause Doesn't Pause Economic Pain"; submitted by Rep. Frost.

* Article, *The Independent*, "Trump's tariffs driving thousands of layoffs at U.S. Manufacturing Plants"; submitted by Rep. Frost.

The documents listed above are available at: docs.house.gov.

MADE IN THE USA: IGNITING THE INDUSTRIAL RENAISSANCE OF THE UNITED STATES

Tuesday, April 29, 2025

U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM
SUBCOMMITTEE ON ECONOMIC GROWTH, ENERGY POLICY, AND REGULATORY AFFAIRS
Washington, D.C.

The Subcommittee met, pursuant to notice, at 11:07 a.m., in room HVC–210, Capitol Visitor Center, Hon. Eric Burlison [Chairman of the Subcommittee] presiding.

Present: Representatives Burlison, Higgins, Donalds, Perry, Frost, Min, and Khanna.

Mr. BURLISON. This hearing on the Subcommittee of Economic Growth, Energy Policy, and Regulatory Affairs will come to order. Welcome, everyone, to this meeting. Without objection, the Chair may declare a recess at any time.

I recognize myself for the purpose of making an opening statement.

We are here today to discuss an issue that is becoming increasingly urgent: the future of U.S. manufacturing. The United States is facing a need that it has never faced before: the need to shake off and reverse its fall as the global leader in manufacturing.

We won the Second World War not just because our generals were great leaders and strategists, and not just because we put so many heroic men and women on the field of battle and in support, but because we manufactured our enemies into oblivion. The United States held approximately 40 percent of the globe's manufacturing in 1941. After Pearl Harbor, that vast manufacturing power became the free world's arsenal for democracy.

For every German tank manufactured, we produced four tanks. For every merchant ship tonnage the Japanese built, we produced eight. For every aircraft carrier the Japanese deployed, we launched three. For every plane that combined Axis powers built, we, by ourselves, manufactured 1.5 planes.

Before the war, the U.S. manufactured less than 3,000 planes. By the end of the war, we had a force of 300,000 planes. Overwhelming material was pivotal to our winning the war, and the United States left World War II as the most wealthy and powerful

nation on Earth, in very large part because of our manufacturing prowess.

Yet as time marched on and the good post-war times rolled, we began to forget how important our capacity to manufacture and innovate was to making, and keeping, America great.

And as the cold war ended and we entered the "end of history" era, unprecedented globalization took hold. In that moment, instead of embracing new technologies or innovating in the manufacturing industry, we sold off our manufacturing birthright to other countries.

A vast amount of what once was American manufacturing was shipped off to foreign manufacturing. In the end, we lost our manufacturing base, and that was not just because U.S. leaders supported globalization. It was also because we overregulated existing manufacturing and imposed enormous obstacles to the permitting of new manufacturing. This strangled possibilities for new growth and further encouraged U.S. manufacturers to move their manufacturing overseas.

In the end, the United States' share of global manufacturing fell from the 40 percent it was in the 1950s to the 16 percent share we hold today. We lost millions of skilled labor jobs, the middle class has shrank, and communities across America have been harmed.

Filling the void of the U.S. was China. China's share of global manufacturing increased at an exponential rate. China leaned in heavily on cheap labor, slave labor, and suicide-inducing labor conditions to achieve the manufacturing share that it possesses today. And China's position as the current world leader in manufacturing poses economic, military, and national security threats to the United States.

Nevertheless, there is hope we are approaching an American industrial renaissance. Under President Trump, the United States has the technology, the capital, and the political will to reshore manufacturing stateside. Congressional and executive branch efforts to decrease unnecessary regulatory burdens and streamline permitting processes will encourage reshoring. And by adopting automation and artificial intelligence, the United States can and will multiply the economic output of the average American worker exponentially.

Salaries will rise as costs of goods stay low. Skilled labor and manufacturing employment that was extinguished due to globalization will return. The middle-class will expand again. We can and will bring manufacturing back to the United States. And, with that, I yield to Ranking Member Frost for his opening statement.

Mr. FROST. Thank you so much, Mr. Chair, and thank you to the witnesses for being here this morning.

Since the 1980s, the United States has faced a decline in manufacturing jobs that has left many workers feeling forgotten and turned away by many once thriving communities into ghost towns. Democrats are united in wanting to bring more good, high-paying manufacturing jobs to these communities and making sure America is leading the way in strategically significant manufacturing sectors of the future.

But President Trump's disastrous tariff plan, which is estimated to increase costs to American households by $4,900 a year, is not the solution. During the Biden Administration, the Democrats' Made in America agenda resulted in legislation like the CHIPS and Science Act, the Infrastructure Investment and Jobs Act, and Democrats drafted this legislation with Republicans in a bipartisan way, and with the vital input of manufacturing workers, employers, and impacted communities.

This legislation jump-started industry, helping to create more than 700,000 manufacturing jobs in the United States, and secure over $1 trillion in planned investments. Our country has not seen this much new factory construction in half a century. This legislation and these investments created during the Biden Administration should continue to pay off, creating over 200,000 more jobs each year going forward, assuming no new policies stifle that growth.

There is still so much to do and to support in terms of domestic manufacturing and creating good-paying, safe and affordable products here in the America while protecting our environment. I am here to work with anyone, regardless of political affiliation, to continue this work.

But I am also concerned that instead of advancing the progress we have made over the last several years, we are going to trend in the opposite direction due to Trump's irrational blanket tariff policy. While Democrats' legislative achievements in manufacturing have created again more than 700,000 manufacturing jobs, Trump's chaotic tariffs are expected to eliminate 770,000 jobs in 2025 alone.

Tariffs are an important tool, and when used carefully and intelligently can help the American worker. But from slashing services at the VA to "accidentally" encouraging our air traffic controllers to resign and firing the essential workers that maintain our nuclear weapon stockpile, deporting American citizens, and discussing sensitive military operations on Signal, "careful and intelligent" does not describe this Administration, and that is the case with their tariff policy, as well.

Investors are pulling back from doing business in America, which impacts critical industries and prevents companies from actually starting new businesses to make goods here in the United States. Hard-working Americans are seeing a tanking stock market tank, widespread firing, and are concerned about what is to come.

I have heard from countless Central Floridians in my community who have fears. David, an Orlando retiree, has lost 20 percent of his 401k in the last 2 months. Patricia, an Orlando resident, wrote in, saying she cannot make improvements to her home with the recent instability of the economy. And Delia, who also wrote into our office, a Winter Park working person, said she will not be able to afford the tariff-driven increase on the cost of food, housing, medicine, and other things, as well.

We know there is a better way. The laws we led created the stability that manufacturers need to create jobs, and we work to make sure that they were jobs that Americans want and deserve, safe jobs that offer financial security and stability. Democrats increased both worker safety protections and worker safety inspections while

making good wages a key component to the CHIPS and Science awards.

The Democrat-led National Labor Relations Board cracked down on law-breaking corporations and fortified workers' right to organize. As we know, in 2023, President Biden became the first sitting U.S. President to ever walk a picket line when he marched with striking United Auto Worker members in Michigan.

The President, Donald Trump, worked aggressively to put corporate profits over workers' rights during his last term, and he is doing it again. This is why we are going to see, in the second term, just like happened in the first term, that wealth inequality in this country will continue to rise.

For starters, he attacked the National Labor Relations Board and its mission of defending workers' rights, illegally fired the one Democratic board member, like in his first term, and he is stuffing the board with anti-worker people. Elon Musk even called the NLRB "unconstitutional," while Trump has praised Musk for firing striking workers. The President is also looking at repealing sick leave, minimum wage, and overtime protections for some categories of workers.

While making working conditions worse, he has also made it less safe. During his first term, Trump had the fewest OSHA safety inspectors ever, and he has already fired two-thirds of the National Institute for Occupational Safety and Health work force since retaking office.

His assault on workers' rights and safety does not stop at the factory gate but it follows workers at home, as well. And this is important, because we cannot talk about bringing manufacturing jobs and this industry back to America without ensuring that we empower and protect the American worker. It is probably the most important part of this conversation, and Democrats are going to ensure that the American worker is front and center here.

I look forward to working with my colleagues from both parties as well as workers' labor representative, private industry, to continue the manufacturing boom that was started by Democrats over the past 4 years. But this effort must never be at the expense of safety, dignity, and prosperity of the American worker.

Thank you. I yield back.

Mr. BURLISON. Thank you. I am pleased to welcome our panel of expert witnesses who each bring experience and expertise that will be valuable for today's discussion on manufacturing.

I would first like to welcome Chris Power, from Hadrian, who serves as the company's Chief Executive Office.

Next we have Kevin Czinger, who is a Founder of Divergent and currently serves as its Executive Chairman.

Next we have Austin Bishop, who is the Chief Executive of the New American Industrial Alliance.

And last we have Adam Hersh, who serves as a Senior Economist at the Economic Policy Institute.

Thank you each for being here, and with that I would ask everyone to stand.

Pursuant to Committee rule 9(g), the witnesses will please stand and raise their right hands.

Do you solemnly swear or affirm that the testimony you are about to give is the truth, the whole truth, and nothing but the truth, so help you God?

[Chorus of I dos.]

Mr. BURLISON. Let the record show that the witnesses answered in the affirmative. You may be seated.

We appreciate you being here today. We look forward to your testimony. Let me remind you that we have read your written statement and it will appear in full in the hearing record. Please limit your oral arguments to 5 minutes. It is very simple. The light in front of you will turn yellow when you have 1 minute left, and then when it is red your time has expired.

As a reminder, please press the button, and often people do not know to speak directly into the microphone. So, this is being covered on C-SPAN, and we want the American people to hear what you have to say.

And with that I recognize Mr. Power for his opening statement.

STATEMENT OF CHRIS POWER
FOUNDER AND CEO
HADRIAN

Mr. POWER. Thank you, Chairman Burlinson and Ranking Member Frost, and members of the Subcommittee. I appreciate the opportunity to appear here today.

I came to this country from Australia 5 years ago, purely because I recognized that, as the Chairman quite rightly said, we are past the end of history for Kiama phase. And what we have done to the United States is de-industrialized the country over the last 40 years, some through our own mistakes and some through forcible Chinese policy, where they are using aggressive subsidies to pull out critical manufacturing capability from offshore.

And what I recognized before I came here to make as big of an impact on the country as possible is that Americans treat manufacturing as a kind of globalism-free trade over the last 40 years, and China has quite rightly treated it as a strategic capability of being able to make things onshore.

And the Chairman was quite right in that what won World War II was our ability to pivot the commercial manufacturing base into the defense base when it really mattered. And over the last 40 years we have offshored everything that was not bolted down to the defense industrial base by regulations like ITAR.

So, we are in a real crisis now, and the impact of that, that both the Chairman and Ranking Member Frost were quite right, is that it decimated the middle class, it decimated the American manufacturing work force, and culturally that means no one wants to work in manufacturing because why would you sign up your son or daughter to go into an industry that is declining? So, we have created this real crisis for ourselves, and now that China is a real global threat, we are in very much a crisis mode.

So, I came here to make a difference in that, and I will provide some specific recommendations. But in reality, what this is all about is the highly skilled American work force. And for the last 40 years, because of those declining jobs, because the revenue has gone out of the country, there are less factories, there are less good

jobs. And now we are at a point where most of the skilled American work force is in their late 50s and early 60s. And by skilled I mean incredibly highly skilled, especially the defense industrial base. It normally takes 10 to 20 years to train someone. These are very highly paid jobs of the defense primes or subcontractors of the defense primes, that are critical to remain onshore.

But because of that demographic load you have got most of the work force aging out across the next decade, as people get older and they retire, and we are losing their knowledge and skills with them, and we are forgetting as a country to manufacture, and it is all about the people on the ground floor that are getting the job, day in and day out. And they are just retiring faster and faster and faster.

So, what my company does, Hadrian—we are the fastest-growing manufacturer in the United States—is we build autonomous, AI-driven factories where we are not replacing people, but we are making the American work force ten times more efficient, so that we can compete globally while creating new and advanced jobs along the way.

And the only way to reindustrialize this country is to leapfrog the Chinese system, which has been built on the back of slave labor conditions, enormous CCP policy-led energy subsidies, raw material subsidies, that are simply not a level playing field with American innovation.

So, what our company is built to do is build and rapidly scale United States factories that are software and robotics first, that do not replace people but let them be ten times more productive and also simplify things so that 100 percent of our work force now have never set foot inside a factory before they join our company. We can train them in 30 days, and not 10 to 20 years. And what means is that there are new types of jobs coming online that are higher paid, they are better, friendlier conditions, and it allows us to scale with the demand that the country needs, especially in critical areas like shipbuilding and munitions, where the No. 1 problem that you will hear from program officers or other actors in the shipbuilding space is, "You could give me a billion dollars. I simply cannot hire enough welders. They no longer exist in the country. There simply are not enough machinists or quality inspectors in the country."

And the only way to do that to meet the national mission of both reindustrializing the country to compete globally in this new world order where we are disconnecting from the Chinese economy and to meet the emerging needs of the defense industrial base, the only way to do that is build factories that give the American work force superpowers, and have them have better jobs, more highly paid jobs that are robotics and software first, and allows us to scale as a country by leapfrogging China with what America is best at. We still have global leadership in software, AI, and robotics, and the point of building these advanced factories is to give the American work force superpowers, so that we can scale as a country and compete globally without falling into the trap of low-paid jobs, or simply giving up the farm and not being a manufacturing superpower anymore, which is critically important.

There are two critical points that are in my testimony but I would like to reinforce, given that the time is up. One is that much

of our spend that is going to China is through defense primes or other manufacturers in the U.S. that get paid by the Federal Government but end up offshoring a big chunk of their supply chain. One thing that you would immediately create millions and millions of jobs and demand in the country is by forcing a statement that if you get paid in America you must have your supply chain and make it in America, without us subsidizing the competitive landscape.

And the second thing that I would like to encourage everyone to think about, whether it is a tariff policy or other policy, is that we have to create an even playing field with China. Our energy costs now, raw materials cost, not to mention labor subsidies, are ten times greater than China's, so to compete globally we have to find strategic ways to give the American manufacturers a level playing field with the egregious CCP subsidies that get put on core inputs to manufacturing like energy and raw materials cost.

Thank you for the time.

Mr. BURLISON. Thank you. And I think when the yellow light turns on we have 30 seconds left, just as a reference.

I now recognize Mr. Czinger for his opening statement.

STATEMENT OF KEVIN CZINGER
FOUNDER
DIVERGENT 3D

Mr. CZINGER. Thank you, Mr. Chairman and Mr. Ranking Member and distinguished Members of the Committee, for the opportunity to testify here today. I am representing my company, Divergent, and I am also here as someone who has spent a lifetime believing in America's capacity to lead.

I grew up working class in Cleveland, an industrial city that once took great pride in helping power the American economy. Football helped me earn a college education as the first in my family to go to school, and I later served as a U.S. Marine Corps infantryman before becoming an inventor and technology entrepreneur. What drives me is the belief that this country, more than any other, has the ingenuity, the grit, and the values to lead the world in innovation and in actually creating things.

I founded Divergent because I saw what happened to America's industrial core. We did not just outsource jobs. We outsourced our key core national strength. We weakened our supply chains to save a buck in the short run, both in industry and in Silicon Valley. We ignored the needs of our workers and our communities. We gave China the lead. And through turning over our supply chain to them we gave them, in plain sight, hidden control of our national security and our economic security.

Now we need a fix. This cannot be done through traditional, incremental steps or going back to old technology. We must fundamentally rethink manufacturing and the factory itself.

That is why Divergent was built from a clean sheet of paper. We started with what the future demands today. Divergent developed the world's first fully integrated digital industrial system. By combining together in one system generative design, additive manufacturing, advanced materials and robotics, we design, print, and assemble high-performance structures at industrial volumes faster

and with greater flexibility than ever before in the history of the planet.

It is, today, fully operational, proven across aerospace, defense, and automotive platforms, and it is entirely built and based here in the United States.

We have proven the system at scale, delivering components for fighter jets, hypersonics, and space systems. We are currently working with every major U.S. defense prime and with some of the most demanding commercial auto companies in the world, including Aston Martin, McLaren, Mercedes, and Bugatti. These are production programs with cars out on the road today, with AI-designed, 3D-printed structures built here in the United States. These companies that I mentioned do not compromise on quality, safety, and precision.

A depleted munitions stockpile, huge sustainment backlogs, and obsolete parts are plaguing the Defense Department. Divergent is ready to step in now and scale production with a scale-ready digital factory system, faster, more resilient, and at a far lower cost to the taxpayer.

Now think ahead: a nationwide network of next-generation American factories across, and can be in virtually every state of the union, that do not just build resilience, they rebuild America's industry. This is not one factory making one product. It is factories, each able to serve many industries, produce any parts, and support hundreds of companies across the country. That is what Divergent enables. That is how we upskill the American work force. That is how we take jobs back from China and bring them back home, under standards that uphold human rights and deliver good wages.

This is about more than advanced technology. It is about responsibility and resilience. It is about rebuilding an industrial base that is accountable to the Nation it serves. Because we have seen what happens when fragile global supply chains break, whether in a pandemic or in a war.

After the Soviet Union launched Sputnik, President Kennedy went to Dr. von Braun, then the Space Director of NASA, and asked how the U.S. could catch up. Wernher Von Braun said, "Mr. President, we will not catch them in Earth orbit. We need to beat them to the Moon." The good news is in the last decade we have done that moon shot and we now have a fully digital factory that is ready to scale.

Divergent is proof of what is possible when innovation is unleashed. Now think about what we could achieve if we aligned policy, capital, and the will to accelerate this innovative transformation. This is our chance to re-industrialize with purpose.

Let us not only play defense. Let us play offense. Let us not only reshore manufacturing over the coming years. Let us leapfrog China and disrupt them with proven technology. Let us lead again. And let us do it in a way that builds a more vibrant, secure, and equitable America.

Thank you. I look forward to your questions.

Mr. BURLISON. Thank you. I now recognize Mr. Bishop for his opening statement.

STATEMENT OF AUSTIN BISHOP
CEO
NEW AMERICAN INDUSTRIAL ALLIANCE

Mr. BISHOP. Chairman Burlison, Ranking Member Frost, and Members of the Committee thank you again for the opportunity to testify today.

We are at a pivotal moment in American history that demands urgency, imagination, and national unity. The question before us is whether America can lead the world in cutting-edge production again but whether we choose to.

Reindustrialization is not about nostalgia or recreating a past economy but about building a dynamic, future-facing industrial base that strengthens national security, revives economic mobility for working Americans, and reclaims American leadership in critical sectors.

This is a non-partisan challenge and a once-in-a-generation opportunity. As the Ranking Member said, work force is at the front of this. I am a guy from Cleveland, Ohio, as well, and over the decades that I grew up there, and certainly decades leading up to that, I wished that there was this much interest in ensuring that our industrial base stayed onshore. And what we saw over those few decades is something that we have a chance to reverse going into the future.

The COVID–19 pandemic exposed a painful truth, which is our overreliance on globalized supply chains has left American families vulnerable and our economy brittle. Basic goods, from personal protective equipment to microchips, became scarce almost overnight. Moms in the Midwest could not get baby formula because the Suez Canal was blocked, an absurdity that everyone must admit reveals the massive weakness created by surrendering sovereignty over where and how things are produced.

Resilience on far-flung manufacturing hubs, particularly in Asia, has caused a profound loss of confidence in our system's resilience. We are all worse off in a world where the West cannot manufacture certain goods in abundance. That reality forces us to rely on the good graces of distant powers to meet our needs, weakens our militaries' ability to deter aggression or defend its allies, and deprives millions of Americans in every state of stable, high-productive employment in high-tech industries.

Moreover, this vulnerability was not accidental. Deindustrialization was a choice resulting from bad policy decisions and flawed ideologies that prioritized short-term cost savings over long-term national strength and discouraged investment in capital-intensive industries. Cheap labor abroad and foreign subsidization, combined with burdensome regulations and protracted permitting processes, hollowed out our domestic manufacturing base. We socialized the costs and privatized the gains, as entire cities were reduced to rusty shells of their former selves while the S&P 500 made record highs. We should remember the pandemic as a warning shot: we cannot entrust our prosperity to fragile, distant supply chains.

Further compounding this is the reality that China is an increasingly hostile geopolitical rival and sits at the center of many global supply chains. Today, the United States depends heavily on China

for critical minerals, semiconductors, pharmaceuticals, ships; everyone in this room knows this, at this point.

These supply chains could collapse overnight in the event of conflict or even heightened tensions. We must be clear-eyed: economic dependency is strategic vulnerability. If we cannot produce the essentials of modern life within our own borders, we are not truly sovereign.

Onshoring critical industries is not simply an economic imperative but a national security mandate.

Bringing manufacturing home is also not about reliving the past; it is about forging a better future. The future has to look like the future. I say this again as a guy whose city is maybe most famous for its rivers catching on fire. We are no fans of that. The old industrial jobs of the 20th century were the foundation of the American middle class, providing millions with good wages, dignity, and upward mobility. Since manufacturing's share of the GDP declined from 30 percent in the 1950s to just 11 or 12 percent today, we have witnessed the undeniable hollowing out of our middle class.

However, the manufacturing jobs of tomorrow will not look like the jobs of the past. They will be extensions of the advanced manufacturing jobs that we already have here in America, at companies like some of my colleagues here: highly skilled, technologically advanced careers working with robotics, precision manufacturing, AI logistics, and more. Onshore companies will also need workers for sales, construction, management, maintenance. This represents millions and millions of jobs, many of which do not require a 4-year degree.

By investing in a modern industrial base, we can rebuild a middle class that is not only larger but is better equipped for the demands of the 21st-century economy.

Finally, onshoring manufacturing will ignite innovation across our economy. Historically, industrial leadership has been inseparable from technological leadership. When we manufacture, we invent. When we lose production capabilities, we lose the ability to innovate. Today America lags in critical manufacturing R&D areas, from battery production to advanced materials to microfabrication.

By bringing industry back home, we will secure our supply chains and unlock new frontiers of research, entrepreneurship, and invention. The average American will benefit far more from reliable access to goods and a healthy, more dynamic economy where workers share more directly in the Nation's growth and prosperity.

Finally, reindustrialization is not about going backward; it is about moving America forward. It is about making America safer, more prosperous, and more unified.

It is about empowering the next generation of American workers with the tools to build a better future.

Thank you again for the opportunity to testify. I look forward to your questions.

Mr. BURLISON. Thank you. I now recognize Mr. Hersh for his opening statement.

STATEMENT OF ADAM S. HERSH, Ph.D.
SENIOR ECONOMIST
ECONOMIC POLICY INSTITUTE

Mr. HERSH. Chair Burlison, Ranking Member Frost, Members of the Subcommittee, thank you for the opportunity to talk with you today. My name is Adam Hersh, and I am a Senior Economist at the Economic Policy Institute, where I study trade, industrial policy, manufacturing, and the U.S.-China economic relationship.

Today's hearing covers an important topic for legislators. Manufacturing is a special and economically critical activity. And I have to say I agree with most of what I have heard from my co-panelists here about the causes of its long-term decline.

While we are having a timely discussion, the premise for this hearing is somewhat out of date. The previous Administration had already ignited a renaissance in key manufacturing industries. 2024 saw the highest U.S. manufacturing investment in our history. 2023 was the next-highest year. This was achieved with an embrace of industrial policy that incentivized U.S. manufacturing and defended against unfair and mercantilist practices from our trading partners. Now, in less than 100 days, the current Administration has squandered this progress with policymaking chaos, senseless cuts to critical and effective government programs and investments, and an indiscriminate, non-strategic approach to trade policy. Economic indicators now, for the manufacturing sector outlook, are hitting near or at their lowest levels in recorded history, and economic policy uncertainty is at its highest level ever.

To be sure, industrial policies begun under President Biden left room for improvement. But President Trump is not doing this. He is not so much throwing the baby out with the bath water as he is demolishing the entire bathroom. As a Nation, this will leave us all poorer, more dependent on foreign technology leadership, and more exposed to supply chain disruptions.

There is another way forward. It is not going back to the failed trade policies that brought us here, but it is also not continuing with the chaotic, indiscriminate, and non-strategic tariff policies we have seen for the past 3 months. Nor will we get there with corporate tax cuts and deregulation.

The path forward is to recognize the emerging consensus in economics that industrial policy is both feasible and effective, and if we heed its recommendations for how and when it can succeed. I provide some detail of this in my written testimony. But I will summarize here by saying the economy is rife with market failures that call for strong public sector interventions and scientific research and coordination of economic stakeholders. Research finds that public investments in science yield a return on investment of between 140 and 210 percent. To put it in comparison, the long-run average return for the S&P 500 is less than 10 percent.

Public research complements and enhances private sector development. For example, my co-panelists here are no doubt impressive and even visionary entrepreneurs. But they stand on the shoulders of 3D printing technology that was developed by a government scientist in a public research center in Japan.

In addition to research, policymakers should identify priority industries for economic and national security importance, analyze the

unique webs of complementary investments required to succeed in those industries, and devise coordination strategies specific to each application. This is how China's BYD became the world's No. 1 electric vehicle manufacturer. They did not do it by stealing U.S. technology. We do not have that technology here.

Succeeding at industrial policy requires substantial state capacity, which the so-called Department of Government Efficiency is rapidly dismantling. When China began its economic reforms in the 1980s it did not cut its bureaucracy. It ousted the political hacks and added millions more bureaucrats, scientists, engineers, management professionals. There is no successful implementation of industrial policy in world history where state capacity is in decline.

Finally, let me talk about manufacturing jobs. These were not always good jobs. They only became good jobs when unionization achieved high density. As manufacturing unions have declined so has manufacturing job quality. We will not restore manufacturing jobs to anything like the levels in America's economic heyday, but we can ensure that the jobs we create everywhere in the economy provide dignity and decent pay.

Thank you. I look forward to our questions.

Mr. BURLISON. Thank you. I now recognize Mr. Perry, from Pennsylvania, for 5 minutes of questions.

Mr. PERRY. Thank you, Chairman. Mr. Bishop, it is estimated that the U.S. has lost 3.7 million jobs since 2001, largely due to Chinese illegal trade practices. You know, they bypassed the trade rules, as you know, through shell companies, backdoor tactics. They steal protected American intellectual property, and then they use that—the products—to undercut American sales.

Since 1981, the U.S. Federal Government—that is what China does, right. But since 1981, our government has issued at least one manufacturing-related regulation per week, since 1981. Now that is a long list of regulations, which, quite honestly, has played into China's hands, bringing our manufacturing to a standstill, which is what they love.

Do you have any recommendations for where to start with onshoring manufacturing deregulation? Like where do we start? What is the highest priority, and then give us like a roadmap, if you have one, about how to deal with that.

Mr. BISHOP. Thank you for the question. I mean, to this point, just the example of BYD that just came up, they did not steal the technology, for sure, but they were able to leapfrog us over the last 5, 6 years, literally because American ex-auto executives and consultants went over and gave them the playbook. I know this because I know a number of these ex-executives and these consultants. And one of the reasons that they are able to take ideas and then turn them into a reality a lot faster is on the regulatory front.

To your point, I think one of the things that we should be aiming the highest at, and this is certainly on everyone's mind right now, is NEPA regulation. And again, as I said, the town that I am from had a lot of rivers catching on fire in the 1970s. I am, for sure, no fan of that. But I think we are so far away from where the pendulum has swung from those days, to now we have law firms making hundreds of millions of dollars a year just doing NEPA compliance regulation.

If I had one thing to focus on I think it would be a more commonsense regulatory regime that is modern and built for the century that we are in rather than something that was built in the 1970s.

Mr. PERRY. Well, as a person who is in the manufacturing business, we, I think, on this Committee, would like your specific recommendations on where to start, whether that is NEPA or something else, some things that are specific that plague us. Look, we have got a lot of work to do, right. One a week since 1981. We obviously have a lot of work to do. But we need to start with some kind of prioritization and get after it.

Mr. Power, China accounted for almost 15 percent of all U.S. imports in 2023. It is also the largest foreign supplier of critical technology for the Department of Defense. Greg Hayes, the CEO of Raytheon, stated that it would be impossible for him to decouple from China due to the company's reliance on thousands of Chinese suppliers. Meanwhile, the Communist Party of China considers the United States of America and its businesses not strategic adversaries, not strategic competitors, but the enemy.

What are the real-world implications, as you see them, for America's warfighting capabilities if we do not change course?

Mr. POWER. Thank you for the question, sir. In my opinion, we are on a 5-to 8-year clock with China threatening Taiwan. And in the current state of the vast majority of defense manufacturing the supply chains are so intermingled with rare earth minerals that produce magnets.

Mr. PERRY. Do not call them rare earth. They are not rare. They are critical but they are not rare. There is plenty of them in this country. We are just not allowed to go get them. But carry on.

Mr. POWER. That is correct, sir. I appreciate the clarification. They are so intermingled that even—I will give you a practical example. There are components on the F–35 program that the DoD gave an exception—I think it was a magnet—that is in the Chinese supply chain. And it is not just one part. It is not like a class of things, like magnets. It is all over the place. And yes, it will take time to decouple. It is not a trivial thing to do. But in my mind the only thing to do is pass legislation that says if you are getting paid in America you have to have your whole supply chain in America and let the economic system correct. Because at this point they could shut off a lot of our critical programs, not to mention semiconductors, and we would be flying completely blind, and we would simply not have the productive capacity to make it past the first 2 weeks of a conflict.

Mr. PERRY. Mr. Chairman, I yield.

Mr. BURLISON. Thank you. I now recognize Mr. Frost for his 5 minutes of questions.

Mr. FROST. Thank you, Mr. Chairman. I am really glad that my Republican colleagues want to continue the Democratic historic efforts to rebuild America's manufacturing sector and revitalize local economies, an effort that has led to the creation of over 700,000 manufacturing jobs during President Biden's term.

But the goal is not simply just the quantity of jobs but also the quality of these jobs, as well. We have to be focused on creating manufacturing jobs and working conditions that allow workers to actually prosper and support their families. This includes rules for

better worker safety, increases in OSHA inspections, an emphasis in prevailing wages when awarding Federal funding, and working closely with organized labor.

Mr. Hersh, how does a unionized manufacturing work force benefit workers and the manufacturing industry?

Mr. HERSH. Thank you for the question. It benefits in several ways. No. 1 is it attracts high-skilled work force with good wages and good compensation, and it retains them so that they can accumulate skills on the job that get fed back into the production process.

No. 2 is it gives the workers from the shop floor, who understand the production process, the ability to contribute and work with management in designing more efficiencies and improving production as well as innovating and products.

Mr. FROST. And how does a unionized manufacturing work force also benefit the people who buy their products and the people in the community as a whole?

Mr. HERSH. Well, this is something that Henry Ford recognized when he started paying a living wage to his workers back at the turn of the previous century. He recognized that for workers in communities to be able to have the consumption to meet the growing production capacity of our economy they needed to be paid a decent wage. So, unions help provide that decent wage. When unions go away, the wages of the manufacturing jobs decline. We have been adding manufacturing jobs, but on net, in large part, these are in parts of the country where labor standards are quite low and not very well enforced. So, while manufacturing has been expanding, the quality of those jobs has been in decline. Essentially we are creating American maquiladoras.

Mr. FROST. And union apprenticeships can also help us, and they frequently boost manufacturing by helping provide us with the skilled and reliable work force that is needed. Mr. Hersh, what do these moves tell us about the quality of manufacturing jobs that Trump policies will create? And the moves I am talking about are the fact that President Trump has tried to convince workers that his policies will be good for them, while at the same time working aggressively to attack collective bargaining rights and the agencies responsible for protecting worker health and safety.

Mr. HERSH. Well, I think Commerce Secretary Lutnick has given us a clear vision of what these jobs will look like from the Trump administration. He says that Americans should be screwing little screws into iPhones. Now, these are not the jobs of the future that are going to make our country prosperous again.

Mr. FROST. The Trump Administration also is working aggressively to strip Americans of their regulatory protections. This is problem for all of us as industrial hazards go beyond the factor door and extend to surrounding communities, as well. Without these protections in place and in force, these hazards threaten our drinking water, the air we breathe, the food we eat, and the products we use. Some would have us believe that it is a zero sum game, that you have to pick one or the other, zero regulation, rolling everything back, or regulation up the wazoo and no one can do anything.

But I think with the use of a core technology and a skilled work force and good workers we are able to have a world where everybody can thrive.

Mr. Hersh, how do current regulatory protections keep manufacturing workers safe, not just at work but when they are at home, as well?

Mr. HERSH. These regulations exist for a reason, and often they are working so well that people have long forgotten the problems that they were put in place to solve. When we take them away they are going to be problems again. And what they will do is shift the costs and the risks from the companies who are doing this to the workers, to the communities where production is happening, to the country as a whole and consumers.

You know, people do not want to have polluted water and polluted air in their communities. They do not want their kids playing on a playground where there are toxic chemicals in the air. They do not want to go fishing where there are toxic chemicals in the water. So, these regulations play an important role in preventing that.

And the way we could be using tariff policy instead of this chaotic and indiscriminate approach, which is disrupting and causing so much uncertainty, is we could be using this to create a regime of high standards, whether it is for worker rights or whether it is for environmental protection, whether it is for stopping the pollution of carbon emissions, putting those costs back onto the goods that are being produced abroad without those protections.

Mr. FROST. Thank you. I yield back.

Mr. BURLISON. Thank you. I now recognize myself for 5 minutes. I want to start, Mr. Czinger, during one of the previous witness's testimony it was said that you, American manufacturing, is standing on the shoulders of 3D printing that was developed by other governments in Japan. Would you say that is accurate, that you are standing on the shoulders of that technology?

Mr. CZINGER. Specifically, as to what we do, our printing machine is not based on any Japanese patents. It is solely based on U.S. inventions, a U.S. supply chain, and is built within our factories in the U.S.

Mr. BURLISON. Thank you. Many critics argue that manufacturing simply cannot return to the U.S. because we have high labor costs. From your perspective, what is the strongest counter-argument to that?

Mr. CZINGER. The strongest counter-argument is that right now we have European carmakers, that we are relatively high-cost labor market, California, shipping to Aston Martin and other companies. So, Aston Martin, Bugatti, McLaren, Mercedes, and Porsche, these are customers of an American company, with American workers, shipping today. I think that is because American innovation can create tools for American workers that allow them to do things faster, better, and cheaper. And when that happens, then you create a competitive manufacturing infrastructure, which we absolutely can have, and we absolutely can rebuild our global manufacturing market share. But it has to be based on new leapfrog technology that exists today commercially.

Mr. BURLISON. Can you give us an insight as to the issues regarding supply chain, for example, the resources that you need? You have some objects in front of you that are printed with a type of aluminum. I think that the last aluminum smelter was in southeast Missouri—it is no longer there—in the United States. Is there any concerns about the core materials in that supply chain?

Mr. CZINGER. I would say we have a variety of materials that range from aluminum alloys we develop to high-temp materials for hypersonic applications to high-strength materials for munitions. From the very start, and the company was founded about a decade ago, we wanted to make sure that we had a secure supply chain, so we use U.S. allied suppliers. What I would say is these are metal powders. That atomization process, there is no reason that with different areas in the United States that have cheap, abundant energy, such as natural gas, that we could not bring back atomization production of metal powders and scale that as we build advanced manufacturing. And that is something we absolutely can do and should do.

Mr. BURLISON. Mr. Power, we have had previous hearings on the situation with our energy infrastructure. Can you expound on what companies, what is going through their process when they are deciding where to locate a facility, and how much does electricity cost and availability play into that?

Mr. POWER. Thank you for the question, Mr. Chairman. Energy costs and regulations related to energy are a huge part of where we decide to put new factories in the United States. First, just for speed of building you would be probably surprised at how hard—we could build a factory faster than we could get the permits to rig up electricity to it, in certain states, which is a huge barrier to speed and pace, especially in the United States. And energy costs are such a huge part of our cost base that compared to China I think our energy cost is 10 to 20 times, without subsidies.

And the second point I would make on energy costs is 95 percent of the cost of aluminum, as an example, is actually the cost of energy. So, having energy too cheap to medium in the United States is not just helpful for running factories and having energy grids that can scale with all these advanced factories, but also for the raw material costs and inputs that are being passed on to our customers. So, I think it is incredibly important, and strength of the grid, clean power, and then the cheapness and scalability of that power really drive a lot of the decisions of where we put factories, where we put data centers, and any advanced facility going into the American states.

Mr. BURLISON. Thank you. I yield back, and I now recognize Mr. Khanna, from California, for 5 minutes.

Mr. KHANNA. Thank you, Mr. Chair. Mr. Power, I appreciated your testimony and your focus on innovation, your focus on stabilizing demand, on building capacity. I noticed, even though you are here as a Republican-called witness there was a word missing in your testimony, the beautiful word of "tariffs." I assume by that omission you do not think that President Trump's tariff strategy is working in building advanced manufacturing here.

Mr. POWER. Thank you for the question, Congressman. We are not really impacted by tariffs, and it is hard for me to comment on

it directly in this hearing, because our entire supply chain is regulated, that we have to have everything from raw materials and everything onshore. So, for United States companies that serve the defense market, we do not really buy anything offshore, and it is hard for me to comment on——

Mr. KHANNA. Mr. Power, you are certainly a thoughtful person. I mean, if the President asked you, do you think his tariff policy is working to bring advanced manufacturing into the United States, would you answer yes or no?

Mr. POWER. I think we are starting to see countries come to the table and negotiate. But my perspective is purely China focused.

Mr. KHANNA. So, do you think his policy is working, in terms of the way he has implemented the tariff policies?

Mr. POWER. I think we are going to start to see tariffs work over the next 90 to 100 days. As things settle down——

Mr. KHANNA. You support his tariff policy.

Mr. POWER. I think tariff policy that means China cannot hide manufactured goods going through other countries——

Mr. KHANNA. No. I am not asking you theoretically. I am saying the way the President has gone about the tariff policy, do you support it or not?

Mr. POWER. Yes, largely I support tariff policy to reshore United States manufacturing.

Mr. KHANNA. Do you support Trump's tariff policies?

Mr. POWER. Yes.

Mr. KHANNA. Mr. Czinger, do you support Trump's tariff policies? Mr. Czinger, do you support Trump's tariff policies as he has implemented it?

Mr. CZINGER. I am not an expert on tariff policies, and I would tell you I am an expert——

Mr. KHANNA. Do you support——

Mr. CZINGER. If I may——

Mr. KHANNA. You know, I noticed none of the Republican witnesses mentioned tariffs, the beautiful word "tariffs." Here he is, on a manufacturing industrial policy, the three Republican experts are recommending everything but tariffs, everything but tariffs. Your testimony did not have tariffs. Correct?

Mr. CZINGER. I am an expert on enabling advanced manufacturing scale-up in the United States and not on tariffs.

Mr. KHANNA. Did your testimony have any word of tariff in it, your opening testimony?

Mr. CZINGER. Of course not. I did not come to testify on tariffs.

Mr. KHANNA. Mr. Power, did your testimony have any word "tariff" in it?

Mr. POWER. No, sir. I was asked to testify on bringing in advanced manufacturing to the United States.

Mr. KHANNA. Mr. Bishop, did your testimony have anything to say with tariffs in it?

Mr. BISHOP. No.

Mr. KHANNA. So, the three Republican witnesses come to a hearing on industrial policy, and none of them mentioned the word "tariff," not a single one. And yet all Donald Trump is doing is tariff policy, when the three Republican witnesses are recommending 100 different things other than tariff policy.

Mr. Bishop, do you agree with Donald Trump's tariff policy?

Mr. BISHOP. I am not here as an economic expert.

Mr. KHANNA. You are saying you are not here as economic experts, and yet you are giving us all of these recommendations for how we build an industrial base. Is it that you do not have any expertise that we should just pick up any random citizen, or are you here with some economic expertise on industrial policy?

Mr. BISHOP. Is that for me?

Mr. KHANNA. Yes.

Mr. BISHOP. Oh, sorry. I misspoke on this. I mean, On tariffs, this is just one—like these guys, as well, we are focused on building companies here.

Mr. KHANNA. But I do not understand how——

Mr. BISHOP. And there is——

Mr. KHANNA. The President of the United States is saying the way to build manufacturing is to have these tariff policies. You are here to testify on manufacturing, how we are going to build it, and you are telling me you do not have an opinion of whether the Trump tariff policy is successful or not?

Mr. BISHOP. We are here to represent private industry, people who are actually building companies, not people who are theoretical.

Mr. KHANNA. This is not a theoretical matter. He has implemented tariffs. I am not even trying to trick you. Do you agree with all his tariff policies or do you disagree with them? Or are you so afraid that you do not know what to say?

Mr. BISHOP. I think all of us have been really clear. This is not what we are here to talk about.

Mr. KHANNA. But do you agree with it or disagree with it? Yes or no? I mean, you can say either thing.

Mr. BISHOP. I have the same position as these guys. We are here to talk about how to incentivize more manufacturing and industrial jobs.

Mr. KHANNA. Right. But do you think that the President's tariff policies are doing that, or not?

Mr. BISHOP. I think it is a mix. As Chris said——

Mr. KHANNA. Do you think some of it is correct and some of it is wrong? Do you think some of Trump's tariff policies have not worked?

Mr. BISHOP. No, I am saying I agree with actually what Chris was saying, which is that what we have seen so far, and what we are going to be seeing over the next 90 to 100 days has been really interesting, especially as more countries are coming back to the table. But I cannot——

Mr. KHANNA. It is mind-boggling to me——

Mr. BISHOP [continuing]. Tell the future.

Mr. KHANNA [continuing]. That three of you are so afraid of criticizing Donald Trump that even though you do not mention tariffs in any of your testimonies, none of you are willing to say that this policy is totally backfiring.

Mr. BISHOP. I just do not want to try to predict the near future. I am not a mind reader. I do not know what is going on in the minds of the counterparties in other countries, and I think this is an inappropriate place to be asked.

Mr. KHANNA. Inappropriate to ask you about tariff policy in a manufacturing hearing, when that is the President's policy? Anyway, my time has expired.

Mr. BURLISON. Thank you. I now recognize Mr. Donalds from Florida, for 5 minutes.

Mr. DONALDS. Thank you, Chairman. I think I am in Committee at the opportune time. Look, this is a great hearing about bringing manufacturing stock back to the United States. At the end of World War II, about 40 percent of the world's manufacturing capacity was here in America. Today, depending on who you ask, maybe around 15 percent, maybe lower, maybe a little bit higher.

I want to ask all three of the witnesses—actually, I will ask you too, Mr. Hersh—what has actually been the No. 1 driver for a lack of manufacturing capacity in the United States since World War II? Mr. Power.

Mr. POWER. Thank you for the question, sir. In my mind it is specific CCP policies that have artificially subsidized, well past the cost of good jobs and competitive labor in America, where if you will remember there was a large language model like Deep Seek that got released by China, and they are charging one-hundredth of a use case versus OpenAI. And they are doing that to draw the consumer into using that product more and more and more, which obviously then captures data.

It is the same sort of industrial policy that has been going on for the last 40 years, where we could buy a block of raw material in the United States, of aluminum, and it will be twice as expensive as the fully landed cost, including shipping, of that same component from China. And it is not possible for them to be so cheap and competitive, apart from the slave labor conditions, because they aggressively subsidize energy, raw materials, and kind of reverse tariffs, where if I sell something to you from China to the U.S. I get a subsidy back from the CCP.

It is a strategic policy that has pulled the manufacturing out of the United States for the last 40 years, and it has been done very intentionally. So, it is artificial, anti-competitive subsidies that have pulled that cost base out of the United States, and therefore destroyed millions and millions of American jobs, is my opinion on the one core reason.

Mr. DONALDS. Mr. Czinger, do you choose to add or bring your own knowledge?

Mr. CZINGER. Yes, I will add something briefly, which is if you look at 2000, China had a 7 percent global manufacturing market share, in 2000. That was a brief 25 years ago. With WTO, I would say two things. Going to what Mr. Powers said, we did not enforce any of these violations by China after we gave them most favored nation status, and obviously they understand that national security is directly connected, and being a world power is directly connected to global manufacturing market share, and they went about using a set of policies to capture that.

At the same time, I would say driven primarily by some of our large technology companies, we started to outsource manufacturing to companies like Foxconn. So, if you look at the actual kind of Industry 4.0 scale-up of automated CNC machining, computer numerically controlled machining, between, I would say, between

2006 and 2016, you saw Apple pour $100 billion plus into Foxconn, a China-based contract manufacturing company, and they went from a couple hundred CNC machines to 150,000 automated, lights out, by 2016.

Those two things, allowing people to cheat and undermine you from a national strategy, global strategy standpoint, and then having our process IP relating to manufacturing from our most advanced companies offshored to contract manufacturers and building that contract manufacturing industry around Foxconn and other contract manufacturers, that is what drove it.

Mr. DONALDS. Thank you, Mr. Czinger. Mr. Bishop.

Mr. BISHOP. I would just echo what both of my colleagues here have said. I mean, especially if you drill into the supply chains that go into the DoD right now and the massive permissive use of waivers; I mean, there are already plenty of rules in place that would, in theory, disallow everything from electronic components to just basic machine parts that go into all the crucial material and devices that our warfighters use. And the reality is just the massive, rampant use of waivers has been a huge problem, and when you actually go and drill down into that supply chain you are finding not only direct links to China, which are the easy ones to find, but this huge web of shell companies and shell relationships between shell companies that effectively allow China to have, I mean, first of all, a huge supply chain risk directly in the DoD and anywhere wherever we want to project power.

Mr. DONALDS. Gentlemen, I am sorry. Mr. Hersh, I am sorry. Five minutes goes fast in this town. I appreciate that. I think it is important for the Committee to recognize that while the goal overall is to bring manufacturing back to the United States in as much of a capacity as we can, either onshore or nearshore, one thing is crystal clear: we have not been minding the store in the United States when it comes to trade policy writ large, especially when it comes to enforcement of trade policy.

And with that I yield back.

Mr. BURLISON. Thank you. I now recognize Mr. Min, from California, for 5 minutes.

Mr. MIN. Thank you, Mr. Chair, and I want to thank you for bringing this hearing forward. I also share the panelists' concerns around China and the threat they pose to our economy. I also share the desire of everyone speaking today to bring back manufacturing to the United States. And I represent a district that does not have a lot of manufacturing. But I wanted to start—and obviously it is important for our economy—I wanted to start here by just following up on the comments of Mr. Khanna. I note that all of you up there on the Republican side said you are not economists. I wanted to give Dr. Hersh, an economist, a chance to weigh in, as well, to following up on Mr. Khanna's questions.

Mr. HERSH. Yes. I guess I am the only one up here who supports tariffs, in theory. When a tariff is targeted and strategic it can be an effective tool for supporting industrial development. But what we are seeing under President Trump's policy is the opposite of that. It is broad based. It is indiscriminate. It is non-strategic. It is going to be a disaster.

Mr. MIN. Yes, so I guess what you are saying, if I can summarize, is that tariffs can be a tool to address some of the strategic and uncompetitive behavior we are seeing out of places like China, but not when they are applied in such a blanket and haphazard way as we are seeing right now.

Mr. HERSH. Absolutely, and we have seen that just in the past week or so with a determination on shipbuilding, on solar panels. We saw President Biden invoke a 100 percent tariff on Chinese electric vehicles. These are all things that will contribute to rebuilding manufacturing, including the steel and aluminum tariffs of Mr. President, of Mr. Trump, which helps keep that smelter which Chair Burlison referenced, online for much longer than it could have been.

Mr. MIN. So, I want to follow up by nothing that the view that you expressed now is shared by many others. In fact, I would say it is a consensus view among economists. And I know the other three are not economists. You are very careful to say you are not economists and have no views on the strategic effectiveness of these tariffs.

But I just want to quote Jerome Powell, who said a few weeks back that the Trump tariffs are likely to cause, quote, "higher inflation and slower growth." Janet Yellen, former Secretary of the Treasury, described Trump's tariffs as, quote, "the worst self-inflicted wound that I have ever seen an Administration impose on a well-functioning company."

I also want to bring it back to a company in my district that does do some manufacturing. They do electronics manufacturing. And one of the things that I did not hear any of you talk about is the way that the global supply chain is constructed these days, that a lot the manufacturing that takes place in the United States is dependent on parts and improvements made cross-border. The gentleman I am describing here, who spoke at a roundtable we had, talked about how his goods are typically adjusted or improved in Mexico, maybe in Singapore. They come back to the United States. They cross the border many times. Each time they are potentially subject to a tariff, and the aggregate of that is going to have huge impacts. He described this as something that is an existential threat to his business, the tariffs that Trump has proposed.

Mr. Hersh, do you have any comment on that?

Mr. HERSH. Yes. So, nothing is 100 percent made in America. Across the U.S. manufacturing, about 45 percent of the value added comes from imported content. We cannot just rip that out at the roots. We have to have a strategic approach to gradually replace that without disrupting the businesses that are already operating. And when we put 145 percent tariff on China without that strategic approach in place then foreign competitors in manufacturing can access all those intermediary inputs without paying a tariff, that is putting U.S. manufacturers at a disadvantage.

Mr. MIN. I will just close by noting that I was just in a congressional delegation a couple of weeks back to Korea, and we met with a number of the chaebol out there—Hyundai, LG, Hanwha. A number of them have actually committed hundreds of billions of dollars to manufacturing in the United States, following Trump, one, to try to build out manufacturing capacity here in the United States, but

also in response to clear incentives. We talk about a stick-and-carrot approach. I think we can characterize Trump's tariffs as a big, massive stick that is going to club every economy in the world. We had the carrots approach from the Biden Administration with things like the Clean Energy Tax Credits to incentivize solar, EVs, et cetera, the CHIPS Act, which is starting to bring semiconductors back.

And I will just tell you and share with you that these companies were very concerned about the tariffs policies but also very concerned that the Trump Administration would pull back on some of these tax incentives and other incentives that actually made manufacturing pencil out in the United States.

What are your views, and I will ask this quickly to the panel: Mr. Power, Mr. Czinger, Mr. Bishop, Mr. Hersh, on these programs that actually seem to bring manufacturing back to the United States?

Mr. POWER. Whether it is a carrot or a stick policy or regulations that make easier to produce Americans jobs, I support both sides, whether it is the carrot or the stick.

Mr. MIN. You support keeping those programs in place.

Mr. POWER. Which programs? Sorry.

Mr. MIN. The Clean Energy Tax Credits, the CHIPS Act, some of the IRA incentives that have seemed to bring manufacturing back.

Mr. POWER. Yes, CHIPS Act was a great bipartisan legislation that was designed to bring massive semiconductor, which is such a critical piece of the supply chain.

Mr. MIN. Thank you. I think I am out of time, so Mr. Czinger.

Mr. CZINGER. I would agree with the comment on the CHIPS Act.

Mr. MIN. What about the Clean Energy Tax Credits?

Mr. CZINGER. I would have to look at them in more depth to be able to give you a reasonable answer.

Mr. MIN. Mr. Bishop.

Mr. BISHOP. I support all of the above. We are trying to incentivize more jobs here and more innovation.

Mr. MIN. Thank you for that answer. Mr. Hersh?

Mr. HERSH. Pulling back on these policies now risks stranding hundreds of billions of dollars in investments and jobs. And I will say my co-panelists have talked about the issue of energy costs. Just in the past 3 months, $8 billion of new energy projects, supporting 8,000 jobs, have been canceled.

Mr. MIN. Thank you. I yield back.

Mr. BURLISON. Thank you. I now recognize Mr. Higgins, from Louisiana, for 5 minutes.

Mr. HIGGINS. Thank you, Mr. Chairman. Mr. Bishop, from your perspective what happens to the sovereignty of a nation when it loses its industrial base?

Mr. BISHOP. Well, that is a softball question, I feel like, and I appreciate it.

Mr. HIGGINS. It is a setup for a hard one.

Mr. BISHOP. I imagine. No, and I am slightly joking because you would think it would be an obvious answer, but it seems like over many decades no one has taken this as a softball question, has either not taken it seriously or has come to the wrong conclusion.

Mr. HIGGINS. So, clearly you concur that the sovereignty of a powerful nation will gradually disintegrate with the gradual loss of its industrial base.

Mr. BISHOP. You cannot have one without the other.

Mr. HIGGINS. You cannot have one without the other. There you go. So, the loss of American industrial base, largely to China—let us just talk about China—would you concur that there has been some perceived price advantage for products on the shelves, that this has been a foundational like driving factor, setting aside the details, basically, people want more stuff and cheaper stuff, right?

Mr. BISHOP. That has certainly been the driving narrative.

Mr. HIGGINS. Clearly. So, the price advantage, the price advantage from goods manufactured in China, transported across the ocean to America, ends up on American shelves, that price advantage. In some way, is that price advantage the result of some combination of subsidized endeavors from communists, child labor, and slave labor?

Mr. BISHOP. All of the above.

Mr. HIGGINS. All of the above. So, there you go America. I want you to think about this, please, as a child of God, as a compassionate human being. Do you really want a cheaper product on the shelf that has been subsidized by communists and produced with child labor and slave labor? This is what the Trump Administration and some conservatives in Congress are pushing back against. We seek to establish the truth, that cheap products, produced in abhorrent conditions, on foreign soil, subsidized by communism, and produced by child labor and slave labor, not only should they not be available for a cheaper price on our shelf, they should not be available at all on American shelves, in the opinion of some.

So, we not only support the aggressive effort of our executive branch to push back against this worldwide, but particularly with China, we not only support it, we demand it. And some of us, I am 63 years old. I have watched our industrial base disintegrate in my lifetime. And what we hope—and I am going to ask you, Mr. Bishop, to address what this means for the next generation. I am prayerful that we can fix this thing in this Congress, at least change the trajectory of trade imbalance by insisting upon core principle trade deals with nations like China. And we have to be aggressive about it for the coming generation.

Mr. Bishop, how would you see, if we fix this thing, what happens for the next generation of Americans, if we restore the industrial base of our sovereign nation?

Mr. BISHOP. It is a golden era. I mean, you look at where the cities where we used to produce things, St. Louis, Cleveland, Pittsburgh; I mean, these were some of the richest cities not just in the country but in the entire world. We literally called it a "Gilded Era." And what has happened over the last century, and has certainly accelerated over the last two decades, is something that is reversible, but we have to get very, very serious about it.

Mr. HIGGINS. Do you believe a new "Golden Era," that has been described, is achievable, good sir, if we make the necessary corrections now?

Mr. BISHOP. We still have time, but in my opinion we have to get really serious right now.

Mr. HIGGINS. Well, Mr. Chairman, we are really serious right now. Thank you for convening this hearing, and I yield.

Mr. BURLISON. The gentleman yields. I submit for the record a document from the National Association of Manufacturers, giving recommendations for how to improve manufacturing in the United States.

Without objection, so ruled.

Mr. BURLISON. And I now recognize Mr. Frost for his closing statement.

Mr. FROST. Well, thank you so much, Mr. Chairman, and thank you to the witnesses again, for coming to share your expertise on a very important subject, ensuring that we continue the manufacturing boom we saw under the Biden Administration, into the future. Like I said, this is about, of course, the quantity of jobs but also the quality of these jobs.

But I also have to bring up something that one of my colleagues, Representative Khanna, had brought up, and it has to do with the tariffs policy. And while advanced manufacturing creates job, that number of jobs will pale in comparison to the negative impact of Trump's tariffs. Tariffs are a tax on all consumers. They put the heaviest burden of that tax on middle-and working-class Americans. One of the witnesses is shaking his head no, but we just went through this, and you all conceded that you know nothing about tariffs and have nothing to say about it.

Tariffs will result in greater unemployment, as well. I have three unanimous consent requests. The first one is an article from CNBC from April 7, 2025, entitled, "This Is a Trump Recession, CEO Says, With Tariff Price Increases, Job Losses Coming."

Mr. BURLISON. Without objection.

Mr. FROST. The other one is an article from The Independent, April 22, 2025, entitled, "Trump Tariffs Driving Thousands of Layoffs at U.S. Manufacturing Plants."

Mr. BURLISON. Without objection.

Mr. FROST. The third one is a report from the Center for American Progress from April 10, entitled, "Trump Tariffs Pause Doesn't Pause Economic Pain, Will Cost Families $4,600 a Year."

Mr. BURLISON. Without objection.

Mr. FROST. This is important. I appreciate the nuances in a lot of the ideas we heard from all of our panelists that were brought up today. But if you were to ask the President what he is doing to bring back U.S. manufacturing, he would tell you to look at his tariff policy. And so, it being brought up here I think was completely germane to the subject at hand, and hopefully next time we can dive into that, as well.

Thank you so much, and I yield back to the Chair.

Mr. BURLISON. Thank you. Now, in my closing statement, again, thank you witnesses for coming today. Today's testimony has made one thing clear to me, something that I did not have before, which is hope. Mr. Power, Mr. Czinger, and Mr. Bishop, the efforts that you guys are working on gives me a level of hope.

U.S. manufacturers stand ready to expand production here in the U.S., hire American workers, and bring critical manufacturing capabilities back onshore. Financial backers of manufacturing, moreover, are not waiting for a miracle. They have been waiting for a

signal, and now they have it, from President Trump, from Congress, and from the American people, that the U.S. is serious about rebuilding our once great manufacturing prowess. Americans want to produce here in America. They are willing to buy products made here. The demand is not just patriotic. It is economic, strategic, and it is cultural. It is about security, self-reliance, and yes, national pride.

Reviving American industry is not just an economic goal. It is a national imperative. Industrial strength built this country. It won our wars. It fueled our prosperity and lifted generations out of poverty and into the middle class. And we can do it again.

American factories can roar again. Let us seize this moment not just to restore what was lost but to build something even greater. Let us make American manufacturing not just a memory of the past but the backbone of our future. Reindustrializing will make America great again, and we should all strive to help make that happen.

Again, thank you for your time today, and with that, all Members will have 5 legislative days within which to submit materials and to submit additional written questions for the witnesses, which will be forwarded to the witnesses for their responses.

And if there is no further business, without objection the Subcommittee stands adjourned.

[Whereupon, at 12:24 p.m., the Subcommittee was adjourned.]